

EMPLOYEE BENEFITS SUMMARY
PLAN YEAR JANUARY-DECEMBER 2006

This sheet is a summary of the benefits provided to City of Frisco employees. Benefits are available to full time employees and regular part time employees (working 30 hours or more). Insurance coverage begins on the 1st of the month following 30 eligible days of hire. If there are differences between this information and the plan documents or City Directives, the plan documents and City Directives will govern the administration of benefits. This information does not guarantee any benefits or employment with the City of Frisco.

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HEALTH INSURANCE: Effective January 1, 2005, the City of Frisco joined the Public Employee Benefits Cooperative (PEBC) in an effort to offer employees more affordable benefits. Employees can choose from multiple medical and dental plans. The City pays more than 95% of the cost for HMO medical coverage for full-time employees. Part-time employees pay 25% of the cost for employee insurance. Employees may choose to opt out of the medical plan by providing proof that they have coverage elsewhere. The City pays a significant portion of the cost of medical and dental benefits if the employee chooses to insure dependents. The **bi-weekly** rates are deducted from 24 paychecks only on a pre-tax basis as follows:

COVERAGE	MEDICAL OPTIONS			DENTAL OPTIONS		
<i>Full-time Employee</i>	EPO (NTHN)	BCBS HMO	PPO (NTHN)	Safeguard	United	PEBC
Employee only	\$3.67	\$5.25	\$7.87	\$1.50	\$2.00	\$3.00
Employee & Spouse	\$100.28	\$104.46	\$164.28	\$2.40	\$2.60	\$6.00
Employee & Child(ren)	\$98.24	\$102.34	\$152.57	\$2.40	\$3.48	\$7.41
Employee & Family	\$204.32	\$207.86	\$318.77	\$3.08	\$4.51	\$10.23
<i>Part-time Employee</i>						
Employee only	\$36.44	\$34.77	\$51.94	\$2.22	\$2.30	\$5.29
Employee & Spouse	\$141.84	\$134.37	\$168.59	\$4.00	\$4.33	\$10.00
Employee & Child(ren)	\$139.78	\$132.22	\$165.66	\$4.00	\$5.79	\$12.35
Employee & Family	\$245.89	\$232.66	\$322.85	\$5.13	\$7.52	\$17.06

Also available under the PEBC plan are vision benefits offered as part of the medical plans; an Employee Assistance Plan (EAP) for various types of counseling; life & accidental death and dismemberment as well as optional life insurance (see below); long-term disability (see below); and flexible spending accounts (see below).

FLEXIBLE SPENDING ACCOUNT PLAN: The Section 125 Flexible Spending Account plan is administered by PayFlex and helps employees save money for health care and dependent care expenses. This benefit allows employees to deduct money from their paychecks for the following:

1. Health care reimbursement for qualified out-of-pocket health care expenses that are not covered by the insurance (i.e. prescription and office visit co-pays, lab fees, glasses, contacts, dental services, over-the-counter products, etc.);
2. Dependent care reimbursement for costs paid to day care and elder care providers.

By electing this benefit, employees are getting a tax savings because the cost of these benefits is deducted before taxes.

SHORT-TERM DISABILITY INSURANCE: This benefit pays 60% of your pre-disability earnings after 31 days of disability occurring only off the job. Sick pay must be used during the first 31 days of disability. Short-term disability benefits end after a maximum of 180 days, at which time long-term disability benefits may begin. Partial disability may also be covered under this policy. This benefit became effective March 1, 2005 with The Standard Insurance Co. to benefits-eligible employees actively at work on that date.

LONG-TERM DISABILITY INSURANCE: The Long-Term Disability benefit percentage is 60% of your prior monthly salary. The elimination period is 180 days of disability due to the same or related sickness/injury occurring off the job only.

AD&D AND LIFE INSURANCE: The City of Frisco pays for a Basic Life Insurance policy equal to 1x your annual salary for all covered employees. A Basic Accidental Death & Dismemberment (AD&D) policy is also provided equal to 1x your annual salary. Both of these policies are with Fort Dearborn. The City also pays for a stand-alone AD&D policy of \$100,000 for active and volunteer Police Officers and Firefighters through The Standard Insurance. AD&D insurance provides specified benefits for a covered accidental bodily injury that directly causes dismemberment (i.e. loss of a hand, foot or eye).

TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS): The City participates in the Texas Municipal Retirement System, which is a qualified tax-deferred retirement plan. You are automatically enrolled as a member of TMRS when you begin working full-time or more than 1,000 hours per year. You will have 7% deducted from your paycheck pre-tax, and the City will match member contributions on a 2 to 1 basis. You are vested in TMRS when you earn 5 years of service credit. You are eligible to retire when you are vested and are at least age 60 or if you have 20 years of service credit at any age. In addition, as part of the benefits of the TMRS, the City has elected to include Supplemental Death Benefits which pay your designated beneficiary approximately your current annual salary should you die while employed by the City of Frisco. A Supplemental Death Benefit in the amount of \$7,500 is paid on the death of a retired employee.

RETIREE INSURANCE: The City of Frisco offers insurance to employees upon retirement from the City. Retirees must have been employed by the City for five years and have officially retired with TMRS. Retirees will pay 100% of insurance premiums for themselves and their dependents.

DEFERRED COMPENSATION: The City also makes available two 457 Deferred Compensation Plans through ICMA and VALIC for employees who want to defer additional pre-tax money for retirement. Employees may enroll in the Deferred Compensation plan at any time.

PAID LEAVE: As a full-time and regular part-time employee, you are eligible for paid leave benefits in accordance with the City Administrative Directive. Below is a summary of leave that is available. Please see the relevant directives for details.

TYPE OF PAID LEAVE	NUMBER DAYS ANNUALLY
Holidays	<ul style="list-style-type: none"> ■ 8 holidays (New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving, Day after Thanksgiving, Christmas Eve, Christmas Day)
Vacation	<ul style="list-style-type: none"> ■ 15 days per year during the first ten years of employment. ■ 18 days per year after ten years of employment ■ Eligible for use after 6 months of employment ■ Regular PT Employees (less than 10 years seniority) accrue 11.25 days per year ■ Regular PT Employees (more than 10 years) accrue 13.5 days per year ■ Fire Shift employees (less than 10 years service) accrue 7.5 shifts per year ■ Fire Shift employees (10+ years of service) accrue 9 shifts per year
Sick Leave	<ul style="list-style-type: none"> ■ 12 days per year ■ Eligible for use after 1 month of employment ■ Regular Part-Time Employees accrue 9 days per year ■ Fire Shift employees accrue 6 shifts per year

DIRECT DEPOSIT: You may choose to have your paycheck deposited directly into your checking and/or savings account(s). You also have the option of splitting your paycheck among different banks and/or accounts. With direct deposit you avoid the hassles of finding time to get to the bank on payday.

CERTIFICATION AND EDUCATION PAY: Police officers and firefighters are eligible for certification pay for Intermediate, Advanced and Masters Certifications at \$50, \$80, and \$110 per month, respectively. Police officers and firefighters are also eligible for education pay for Associates and Bachelors degrees at \$50 and \$100 per month, respectively.

TUITION REIMBURSEMENT: All full-time employees are eligible for tuition reimbursement after successful completion of their probationary period. The City will reimburse at 100% of state rate for tuition & fees. Employees must make a grade C or better for an Associates or Bachelors degree and a grade B or better for a Masters degree in order to receive reimbursement.

LONGEVITY PAY: The City of Frisco awards longevity pay to all regular full-time and part-time employees after one year of service. \$4.00 per month will be paid to each eligible full-time employee for each FULL month employed through December 1 for a maximum of 25 years of service. Payment for part-time employees will be pro-rated based on their regularly scheduled hours.

OTHER PROGRAMS AVAILABLE: Free Checking. As a City of Frisco employee, you are eligible for free checking with Community Credit Union and Legacy Bank.

If you have questions about your benefits, please contact: The City of Frisco Human Resources Department at (972) 335-5540, Ext. 141 or 143